

## Message Text

CONFIDENTIAL

PAGE 01 OTTAWA 06786 272120Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00  
SSO-00 USIE-00 INRE-00 FEA-01 ERDA-05 AID-05  
CEA-01 COME-00 EB-08 FPC-01 H-01 INR-07 INT-05  
L-03 NSC-05 OMB-01 PM-05 OES-07 SP-02 SS-15  
STR-04 TRSE-00 ACDA-07 CEQ-01 EPA-01 IO-13 NSF-01  
/112 W

-----101909 272133Z /15

O 272110Z JUL 77  
FM AMEMBASSY OTTAWA  
TO SECSTATE WASHDC IMMEDIATE 4259  
INFO AMCONSUL MONTREAL  
ALL OTHER AMCONSULS IN CANADA (POUCH)

C O N F I D E N T I A L OTTAWA 06786

PASS WHITE HOUSE SCHLESINGER AND GOLDMAN, FEA AND FPC

E.O. 11652: GDS  
TAGS: ENRG, PGOV, SENV, CA  
SUBJECT: PIPELINE DEBATE PROSPECTS ALTERED BY POSSIBLE  
NEGATIVE LYSYK REPORT AND SHORT PARLIAMENTARY RECESS

REF: A. CALGARY 322, B. OTTAWA 6750, C. OTTAWA 6627

1. SUMMARY: VARIOUS SOURCES SUGGEST THAT LYSYK INQUIRY  
MAY RECOMMEND DELAY ON ALCAN PROJECT WHEN IT REPORTS  
AUGUST 1. THAT WOULD GIVE OPPOSITION PARTIES (WHICH HAVE  
BEEN TAKING SAME LINE) ISSUE ON WHICH TO MOUNT MAJOR  
ATTACK ON GOVERNMENT IN AUGUST 4-5 DEBATE. EFFECT ON  
CABINET DECISION-MAKING OF MEETING SCHEDULED FOR AUGUST 6  
IS LESS CLEAR. SENIOR POLITICAL FIGURES TELL US CABINET  
WOULD REACT VERY VIGOROUSLY TO SECOND EFFORT TO  
"BERGERIZE" IT, BUT PIPELINE COMMISSIONER ROBINSON WORRIES  
THAT THE SCHEDULE COULD BE SERIOUSLY THROWN OFF. END  
SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OTTAWA 06786 272120Z

2. JULY 26 GLOBE AND MAIL REPORT LENDS FURTHER CREDENCE  
TO INDICATIONS THAT LYSYK INQUIRY MAY RECOMMEND DELAY OF  
ALCAN PROJECT (REPORTED BY CONGEN CALGARY IN REFTTEL A AND  
CORROBORATED BY OTHER RELIABLE SOURCES). ACCORDING TO  
NEWS REPORT, LYSYK INQUIRY COUNSEL STEPHEN GOUDGE, IN HIS  
FINAL SUBMISSION TO INQUIRY PANEL, SAYS NEB'S RECOMMENDA-

TION OF ALCAN IS "ASTONISHING" AND "RISKS EROSION OF CREDIBILITY IN REGULATORY PROCESS ITSELF." GOUDGE SAYS ROUTE FAVORED BY NEB (VIA DAWSON) IS NOT SUPPORTED BY ANY MEANINGFUL DATA BASE AND HAS NOT BEEN CONSIDERED BY YUKONERS WHO UNTIL JULY 4 THOUGHT ALCAN PROJECT WOULD BE ROUTED ALONG ALASKA HIGHWAY THROUGH WHITEHORSE. "IF A PIPELINE ACROSS THE SOUTHERN YUKON IS DEEMED TO BE IN THE NATIONAL INTEREST," HE SAID, "AND THAT IS FOR THE GOVERNMENT OF THE COUNTRY TO SAY, IT SHOULD BE PERMITTED

ONLY WITHIN A SOUTHERN YUKON CORRIDOR, NOT ALONG A SPECIFIC ROUTE." SELECTION OF CORRIDOR IS MAJOR TASK, "AND ONLY THEN DO YOU GO ON TO SELECT A PRECISE ROUTE."

3. CHANCE OF NEGATIVE FINDING BY LYSYK INQUIRY AND AN UNEXPECTED SHORT RECESS BY PARLIAMENT (REPORTED REFTEL B) COMBINE TO ALTER PROBABLE CONTENT AND TONE OF UPCOMING PIPELINE DEBATE. THESE DEVELOPMENTS RAISE PROSPECT THAT PIPELINE DEBATE, WHICH PROMISED TO BE DIFFUSE AND PER-  
FUNCTORY ABSENT ACY OPPOSITION TO ALCAN BY LYSYK INQUIRY, MIGHT BE SIGNIFICANT POLITICAL EVENT FOR FOLLOWING REASONS:

A. DEPENDING UPON CONTENT LYSYK'S REPORT AND HOW IT IS USED BY OPPOSITION, GOVERNMENT COULD BE FORCED TO TAKE A STAND ON THE PIPELINE DURING DEBATE -- CONTRARY TO ITS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OTTAWA 06786 272120Z

PRESENT INTENTION.

B. PROSPECT OF CONTROVERSY CENTERED ON DIVERGENCE OF NEB AND LYSYK RECOMMENDATIONS COULD TRANSFORM DEBATE INTO MAJOR OCCASION, POSSIBLY ON PAR WITH 1956 PIPELINE DEBATE. IF DEBATE DOES DEVELOP ALONG THESE LINES, ALL MEMBERS WILL WANT TO PUT THEIR VIEWS ON RECORD, THUS PROLONGING DEBATE BEYOND TWO DAYS (AUGUST 4-5) PRESENTLY SCHEDULED.

4. IN ANY EVENT, THERE IS STRONG CURRENT DF OPINION IN GOVERNMENT THAT WILL NOT BE INTIMIDATED BY EITHER LYSYK RECOMMENDATION OF MORATORIUM ON ALCAN PROJECT OR BY PIPELINE OPPONENTS IN PARLIAMENT. FORTIFIED BY SENSE THAT BERGER REPORT FAILED TO MOVE PUBLIC OPINION AND HAS PRODUCED SIGNIFICANT BACKLASH, GOVERNMENT FIRMLY INTENDS NOT TO HAVE ENERGY POLICY DICTATED BY "A HANDFUL OF PROFESS-  
ORS", I.E. DEAN LYSYK AND BERGER. PIPELINE COMMISSIONER BASIL ROBINSON, HOWEVER, WORRIES THAT GOVERNMENT CANNOT SIMPLY OVERRIDE RECOMMENDATIONS OF LYSYK INQUIRY. POSSIBLE WAY OUT IS FOR GOVERNMENT TO USE FORMULA PROPOSED BY LYSYK COUNSEL GOUDGE: APPROVE PIPELINE CORRIDOR BUT NOT PRECISE LOCATION. ENDERS

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, PETROLEUM PIPELINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 27-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977OTTAWA06786  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770269-0490  
**Format:** TEL  
**From:** OTTAWA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770714/aaaaalpf.tel  
**Line Count:** 116  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** fe0ff762-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 CALGARY 322, 77 OTTAWA 6750, 77 OTTAWA 6627  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 17-Dec-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1734532  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PIPELINE DEBATE PROSPECTS ALTERED BY POSSIBLE NEGATIVE LYSYK REPORT AND SHORT PARLIAMENTARY RECESS  
**TAGS:** ENRG, PGOV, SENV, CA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/fe0ff762-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009